

Markets & Business

Israel takes third place

2002 saw Israeli defence export contracts signed for \$4.02bn - mainly increased sales to Turkey and Asia. This is a 64% rise from \$2.58bn in 2001. Total volume of export contracts puts Israel into third place, behind USA and Russia, ahead of UK, France and Germany.

Sarbanes-Oxley effect

To comply with the Securities and Exchange Commission in the US, US-listed companies will not provide financial figures for subsidiaries. The range of many industry league tables will be very restricted. The unexpected development does not rest on any defined provision in the Sarbanes-Oxley Act, but on the legal advice given by the majority of lawyers in major US cities.

2003 Business schools

Rank: School: Country:
1 IMDSwitzerland
2 IESE Bus.Sch. Spain
3 London Bus.Sch.UK
4 Insead France
5 Inst.de Empresa Spain
6 Ashridge UK
7 HEC Paris France
8 Esade Spain
9 Essec Man.Edu. France
10 Stockholm Sch. of Econs.Swden
Source: *Financial Times*

Manufacture abroad

One in 4 German manufacturing companies look to emigrate, says a Deutscher Industrie und Handelstag (DIHK) study. Of those, 42% are primarily attracted by lower overseas wages, but 32% hope to streamline their sales and services, moving parts of production, and 26% are expecting new customers.

Alcatel settles its stakes

Alcatel, Europe's largest satellite maker, is to acquire Loral Space & Communications Ltd's 47% share of the Europe *Star satellite system, as part of a transaction that successfully terminates Alcatel's JV with Loral and resolves Alcatel's litigation against Loral and its subsidiary, Space Systems/Loral Inc.

The acquisition will increase Alcatel's stake to 95%. The Europe*Star transfer is subject to German antitrust review, which Alcatel expects to complete this summer. Loral also agrees to pay Alcatel \$13m in cash, \$5m now and \$8m in under a year. Loral has also transferred its interest in the SkyBridge satellite project to Alcatel, while Alcatel gives up its interest in Loral's Cyberstar

partnership. Alcatel now plans to end its arbitration and lawsuits against Loral.

Alcatel, Intelsat and Loral have also agreed that Intelsat will pay Alcatel directly, rather than through Loral, for Alcatel's share of orbital incentives on the Intelsat IX and VII satellite programs. Alcatel expects payments to reach in the range of \$60m over the next few years.

Pascale Sourisse, chairman and CEO of Alcatel Space, stated: "Now owning 95% share in Europe*Star, plus present and future cash payments, provides substantial value. Equally important, we have clarified our relationship with Loral. Alcatel will also receive directly from Intelsat Alcatel's Intelsat IX/VII orbital incentives payments."

Assembly & test

Gartner Inc believes that the semiconductor assembly and test industry will grow 20% in 2003 over 2002.

In 2002, this industry hit \$8.35bn, up 18% over 2001.

Growth was, and is driven by the ongoing shift towards outsourcing in the IC-packaging, assembly and testing arenas. IC-packaging houses also see increased demand for higher-margin products, such as chip-scale packages, flip-chip and system-in-pack technologies.

However, for the overall equipment, Gartner can only project a 7% growth for the entire industry DURING 2003 as against 2002.

Matsushita early on RoHS

Matsushita Electric Industrial group companies will accelerate efforts to globally abolish the use of hazardous substances as specified by the EU (European Union)'s RoHS Directive on chemical substances. Beginning with products shipped from April 2005

onwards, all Matsushita group companies are expected to meet the RoHS requirements more than one year before required by the law. The RoHS Directive will require manufacturers to ban the use of lead, mercury, hexavalent chromium, cadmium, and specified

bromine-based flame retardants (PBBs and PBDEs).

Matsushita has established the China Parts Test Center in Xiamen, China and is accelerating its efforts to strengthen its pre-check and inspection function of the specified hazardous substances.

Electrical and electronic giants

Japanese companies dominate the top end of the electrical/electronic industry. Out of the leading ten, six groups are Japanese, three are American and one German. (2002 in €bn)

Rank:	Company:	Country:	Sales:	Share of capital goods:
1	General Electric	U.S.A.	141.1	20.0 %
2	IBM	U.S.A.	88.0	95.0 %
3	Siemens	Germany	84.0	80.0 %
4	Hitachi	Japan	69.3	60.0 %
5	Sony	Japan	66.6	30.0 %
6	Hewlett-Packard	U.S.A.	61.6	94.5 %
7	Matsushita	Japan	61.15	2.3 %
8	Toshiba	Japan	48.0	70.0 %
9	NEC	Japan	41.8	95.0 %
10	Fujitsu	Japan	41.4	95.2 %

Source: VDIN